

**CITY OF BISMARCK POLICE PENSION FUND**  
**INVESTMENT PERFORMANCE REPORT AS OF DECEMBER 31, 2005**

	December-05					September-05				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Quarter	Month	Market Value	Allocation	Policy	Quarter	Fiscal YTD	FY05	Ended	Ended
		Actual		Net ROR	Net ROR		Actual		Net ROR	Net ROR	Net ROR	6/30/2005	6/30/2005
												Net	Net
<b>LARGE CAP DOMESTIC EQUITY</b>													
<i>Structured Growth</i>													
LA Capital	1,006,565	5.1%	5.1%	3.42%	0.80%	1,007,334	5.3%	5.1%	5.64%	9.25%	8.17%	N/A	N/A
<b>Total Structured Growth</b>	<b>1,006,565</b>	<b>5.1%</b>	<b>5.1%</b>	<b>3.42%</b>	<b>0.80%</b>	<b>1,007,334</b>	<b>5.3%</b>	<b>5.1%</b>	<b>5.64%</b>	<b>9.25%</b>	<b>8.17%</b>	<b>8.30%</b>	<b>-8.29%</b>
Russell 1000 Growth				2.98%	-0.31%				4.01%	7.11%	1.67%	7.25%	-10.36%
<i>Structured Value</i>													
LSV	1,020,634	5.2%	5.1%	2.42%	1.13%	1,000,851	5.2%	5.1%	4.82%	7.36%	18.24%	14.45%	14.70%
Russell 1000 Value				1.27%	0.60%				3.88%	5.20%	14.06%	11.00%	5.27%
<i>Enhanced Russell 1000 Index</i>													
LA Capital	1,359,757	7.0%	6.9%	2.69%	0.98%	1,352,152	7.1%	6.9%	6.85%	9.72%	7.39%	8.78%	N/A
Russell 1000				2.12%	0.13%				3.95%	6.15%	7.92%	9.19%	N/A
<i>Enhanced S&amp;P 500 Index</i>													
Northern Trust	1,347,902	6.9%	6.9%	2.57%	0.39%	1,318,298	6.9%	6.9%	3.81%	6.48%	6.02%	8.16%	N/A
Westridge	1,348,895	6.9%	6.9%	2.10%	0.05%	1,315,300	6.9%	6.9%	3.65%	5.82%	6.66%	8.57%	N/A
<b>Total Enhanced S&amp;P 500 Index</b>	<b>2,696,797</b>	<b>13.8%</b>	<b>13.7%</b>	<b>2.33%</b>	<b>0.22%</b>	<b>2,633,598</b>	<b>13.7%</b>	<b>13.7%</b>	<b>3.73%</b>	<b>6.15%</b>	<b>6.26%</b>	<b>8.87%</b>	<b>N/A</b>
S&P 500				2.09%	0.03%				3.60%	5.77%	6.32%	8.28%	N/A
<i>S&amp;P 500 Index</i>													
State Street	676,587	3.5%	3.4%	2.07%	0.03%	659,880	3.4%	3.4%	3.61%	5.76%	6.34%	8.30%	-2.34%
S&P 500				2.09%	0.03%				3.60%	5.77%	6.32%	8.28%	-2.37%
<b>TOTAL LARGE CAP DOMESTIC EQUITY</b>	<b>6,760,340</b>	<b>34.6%</b>	<b>34.3%</b>	<b>2.55%</b>	<b>0.58%</b>	<b>6,653,815</b>	<b>34.7%</b>	<b>34.3%</b>	<b>4.78%</b>	<b>7.45%</b>	<b>8.65%</b>	<b>9.54%</b>	<b>-0.74%</b>
S&P 500				2.09%	0.03%				3.60%	5.77%	6.32%	8.28%	-2.37%
<b>SMALL CAP DOMESTIC EQUITY</b>													
<i>Manager-of-Managers</i>													
SEI	2,126,169	10.9%	10.7%	0.97%	-0.01%	2,103,165	11.0%	10.7%	5.48%	6.49%	9.36%	13.65%	N/A
Russell 2000 + 200bp				1.64%	-0.29%				5.21%	6.93%	11.64%	15.07%	N/A
<b>TOTAL SMALL CAP DOMESTIC EQUITY</b>	<b>2,126,169</b>	<b>10.9%</b>	<b>10.7%</b>	<b>0.97%</b>	<b>-0.01%</b>	<b>2,103,165</b>	<b>11.0%</b>	<b>10.7%</b>	<b>5.48%</b>	<b>6.49%</b>	<b>9.36%</b>	<b>13.65%</b>	<b>5.64%</b>
Russell 2000				1.13%	-0.46%				4.69%	5.88%	9.45%	12.81%	5.71%
<b>INTERNATIONAL EQUITY</b>													
<i>Large Cap - Core</i>													
State Street	115,305	0.6%	0.6%	4.44%	4.82%	114,345	0.6%	0.6%	10.65%	15.56%	7.68%	7.31%	-2.19%
MSCI EAFE (1)				4.08%	4.65%				10.38%	14.88%	9.59%	7.29%	-2.85%
<i>Large Cap - Active</i>													
Capital Guardian	350,861	1.8%	1.7%	9.43%	6.09%	342,224	1.8%	1.7%	11.82%	22.37%	11.23%	7.35%	-3.02%
LSV	341,655	1.7%	1.7%	4.29%	4.07%	340,549	1.8%	1.7%	11.55%	16.33%	N/A	N/A	N/A
Bank of Ireland	113,956	0.6%	0.6%	3.28%	3.63%	110,109	0.6%	0.6%	6.99%	10.50%	12.20%	N/A	N/A
<b>Total Large Cap - Active</b>	<b>806,473</b>	<b>4.1%</b>	<b>3.9%</b>	<b>6.36%</b>	<b>4.89%</b>	<b>792,882</b>	<b>4.1%</b>	<b>3.9%</b>	<b>11.02%</b>	<b>18.08%</b>	<b>13.74%</b>	<b>8.14%</b>	<b>-2.37%</b>
MSCI EAFE - 50% Hedged				5.84%	4.68%				11.07%	17.55%	14.41%	8.84%	-2.01%
<i>Small Cap - Active</i>													
Lazard	113,620	0.6%	0.6%	2.89%	6.04%	112,709	0.6%	0.6%	9.65%	12.81%	19.82%	N/A	N/A
Wellington	117,529	0.6%	0.6%	5.95%	6.63%	110,673	0.6%	0.6%	8.08%	14.52%	12.00%	N/A	N/A
<b>Total Small Cap - Active</b>	<b>231,149</b>	<b>1.2%</b>	<b>1.1%</b>	<b>4.41%</b>	<b>6.34%</b>	<b>223,382</b>	<b>1.2%</b>	<b>1.1%</b>	<b>8.88%</b>	<b>13.68%</b>	<b>15.90%</b>	<b>N/A</b>	<b>N/A</b>
Citigroup Broad Market Index < \$2BN				8.94%	7.40%				12.05%	22.06%	21.33%	N/A	N/A
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>1,152,927</b>	<b>5.9%</b>	<b>5.5%</b>	<b>5.77%</b>	<b>5.17%</b>	<b>1,130,609</b>	<b>5.9%</b>	<b>5.5%</b>	<b>10.56%</b>	<b>16.94%</b>	<b>13.12%</b>	<b>10.28%</b>	<b>-0.51%</b>
MSCI EAFE - 50% Hedged				5.84%	4.68%				11.07%	17.55%	14.41%	8.84%	-2.01%
<b>EMERGING MARKETS EQUITY</b>													
<i>Core</i>													
Capital Guardian	77,304	0.4%	0.7%	9.92%	6.56%	326,333	1.7%	1.4%	16.25%	27.79%	33.94%	22.44%	4.12%
Ishares-Index Fund (temporary)	67,540	0.3%	0.3%	N/A	4.95%	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
JP Morgan	68,665	0.4%	0.3%	N/A	5.35%	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
UBS	131,166	0.7%	0.6%	7.63%	6.66%	113,586	0.6%	0.6%	N/A	N/A	N/A	N/A	N/A
<b>Total Core</b>	<b>344,674</b>	<b>1.8%</b>	<b>2.0%</b>	<b>8.68%</b>	<b>6.04%</b>	<b>439,919</b>	<b>2.3%</b>	<b>2.0%</b>	<b>17.05%</b>	<b>27.21%</b>	<b>33.94%</b>	<b>22.44%</b>	<b>4.12%</b>
MSCI Emerging Markets Free				7.20%	5.92%								
<i>Small Cap</i>													
DFA	79,178	0.4%	0.4%	8.16%	6.50%	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
MSCI Emerging Markets Free				7.20%	5.92%								
<b>TOTAL EMERGING MARKETS EQUITY</b>	<b>423,852</b>	<b>2.2%</b>	<b>2.0%</b>	<b>8.22%</b>	<b>6.11%</b>	<b>439,919</b>	<b>2.3%</b>	<b>2.0%</b>	<b>17.05%</b>	<b>26.67%</b>	<b>33.94%</b>	<b>22.44%</b>	<b>4.12%</b>
MSCI Emerging Markets Free				7.20%	5.92%				18.11%	26.62%	34.89%	24.42%	7.64%
<b>DOMESTIC FIXED INCOME</b>													
<i>Core Bond</i>													
Western Asset	624,873	3.2%	3.1%	0.24%	1.06%	541,245	2.8%	3.1%	-0.48%	-0.25%	7.25%	7.46%	8.91%
Lehman Aggregate				0.59%	0.95%				-0.67%	-0.08%	6.80%	5.75%	7.40%
<i>Index</i>													
Bank of ND	1,275,773	6.5%	7.5%	0.64%	0.90%	1,112,825	5.8%	6.5%	-0.93%	-0.29%	7.23%	6.11%	7.77%
Bank of ND Match Loan CD Program	-	0.0%	0.0%	N/A	N/A	188,835	1.0%	1.0%	1.28%	N/A	5.08%	5.33%	5.53%
<b>Total Index</b>	<b>1,275,773</b>	<b>6.5%</b>	<b>7.5%</b>	<b>0.83%</b>	<b>0.90%</b>	<b>1,301,660</b>	<b>6.8%</b>	<b>7.5%</b>	<b>-0.43%</b>	<b>0.40%</b>	<b>6.91%</b>	<b>5.88%</b>	<b>7.41%</b>
Lehman Gov/Credit				0.60%	0.95%				-0.96%	-0.37%	7.26%	6.41%	7.70%
<i>Convertibles</i>													
TCW	627,510	3.2%	3.1%	1.16%	0.36%	547,778	2.9%	3.0%	2.95%	4.14%	-0.23%	8.73%	-2.63%
Merrill Lynch All Convertibles				0.46%	0.80%				4.15%	4.63%	0.66%	9.94%	0.50%

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	Market Value	Allocation	Policy	Quarter	Month	Market Value	Allocation	Policy	Quarter	Fiscal YTD	FY05	Ended	Ended
		Actual		Net ROR	Net ROR		Actual		Net ROR	Net ROR	Net ROR	6/30/2005	6/30/2005
												Net	Net
<b>BBB Average Quality</b>													
<b>Wells Capital</b>	622,526	3.2%	3.1%	0.56%	1.04%	533,902	2.8%	3.1%	-0.82%	-0.26%	12.04%	9.22%	8.81%
<i>Lehman BBB</i>				0.39%	1.03%				-0.97%	-0.58%	8.60%	9.16%	7.86%
<b>Private Debt</b>													
<b>Prudential</b>	625,832	3.2%	3.2%	0.82%	0.90%	530,203	2.8%	2.8%	-0.27%	0.54%	N/A	N/A	N/A
<i>Lehman Aggregate</i>				0.59%	0.95%					-0.08%	N/A	N/A	N/A
<b>Timberland</b>													
<i>RMK</i>	529,426	2.7%	2.7%	-6.09%	-0.08%	579,467	3.0%	3.0%	-0.24%	-6.31%	14.50%	12.47%	N/A
<i>TIR</i>	1,430,382	7.3%	7.3%	3.19%	0.00%	1,456,673	7.6%	7.6%	-0.09%	3.09%	N/A	N/A	N/A
<b>Total Timberland</b>	1,959,809	10.0%	10.0%	0.55%	-0.02%	2,036,140	10.6%	10.6%	-0.13%	0.42%	44.29%	21.48%	N/A
<i>NCREIF Timberland Index</i>				0.95%	0.32%					1.91%	14.07%	7.31%	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	5,736,322	29.3%	30.0%	0.68%	0.55%	5,490,928	28.6%	30.0%	-0.09%	0.60%	19.23%	11.83%	8.92%
<i>Lehman Aggregate</i>				0.59%	0.95%				-0.67%	-0.08%	6.80%	5.75%	7.40%
<b>HIGH YIELD BONDS</b>													
<b>Loomis Sayles</b>	470,351	2.4%	2.5%	1.36%	1.78%	466,036	2.4%	2.5%	1.24%	2.62%	15.96%	N/A	N/A
<i>Lehman High Yield Cash Pay Index</i>				0.80%	0.92%				0.99%	1.80%	10.83%	N/A	N/A
<b>Sutter/Wells Capital</b>	467,589	2.4%	2.5%	1.38%	0.86%	459,188	2.4%	2.5%	0.31%	1.69%	9.62%	N/A	N/A
<i>Merrill Lynch High Yield Master II Index</i>				0.80%	0.92%				0.99%	1.80%	10.63%	N/A	N/A
<b>TOTAL HIGH YIELD BONDS</b>	937,941	4.8%	5.0%	1.37%	1.32%	925,224	4.8%	5.0%	0.77%	2.16%	12.76%	13.38%	5.52%
<i>Lehman High Yield Bond Index</i>				0.80%	0.92%				0.99%	1.80%	10.86%	14.51%	7.47%
<b>INTERNATIONAL FIXED INCOME</b>													
<b>International Sovereign</b>													
<b>UBS Global (Brinson)</b>	389,441	2.0%	2.3%	-2.54%	1.46%	399,778	2.1%	2.3%	-1.08%	-3.60%	7.92%	11.22%	8.24%
<i>Citigroup Non-US Gov't Bond Index (2)</i>				-2.61%	1.16%				-1.24%	-3.81%	7.75%	10.98%	7.92%
<b>International Core</b>													
<b>Brandywine</b>	405,608	2.1%	2.3%	-0.22%	1.37%	406,268	2.1%	2.3%	0.80%	0.58%	11.78%	N/A	N/A
<i>Lehman Global Aggregate (ex-US)</i>				-2.39%	1.02%				-0.86%	-3.22%	8.10%	N/A	N/A
<b>TOTAL INTERNATIONAL FIXED INCOME</b>	795,050	4.1%	4.5%	-1.36%	1.42%	806,046	4.2%	4.5%	-0.15%	-1.51%	9.84%	12.08%	8.74%
<i>Citigroup Non-US Gov't Bond Index (2)</i>				-2.61%	1.16%				-1.24%	-3.81%	7.75%	10.98%	7.92%
<b>REAL ESTATE</b>													
<b>INVESCO</b>	496,779	2.5%	2.5%	1.73%	1.56%	489,127	2.6%	2.5%	7.19%	9.04%	N/A	N/A	N/A
<i>J.P. Morgan</i>	508,581	2.6%	2.5%	4.94%	2.36%	484,661	2.5%	2.5%	6.33%	11.58%	19.52%	12.70%	10.44%
<b>TOTAL REAL ESTATE</b>	1,005,360	5.1%	5.0%	3.33%	1.97%	973,788	5.1%	5.0%	6.76%	10.32%	19.52%	12.70%	10.44%
<i>NCREIF TOTAL INDEX</i>				5.43%	1.78%				4.44%	10.11%	18.02%	12.07%	10.81%
<b>ALTERNATIVE INVESTMENTS</b>													
<i>Coral Partners V</i>	32,692			1.43%	0.00%	33,955			0.01%	1.44%	-18.97%	-24.36%	-22.64%
<i>Coral Partners V - Supplemental</i>	3,898			-1.04%	0.00%	4,149			-7.36%	-8.32%	-6.85%	-4.52%	N/A
<i>Coral Partners VI</i>	39,094			2.13%	0.00%	33,278			-1.55%	0.55%	-1.17%	N/A	N/A
<i>Brinson 1998 Partnership Fund</i>	10,129			3.50%	3.50%	10,309			3.17%	6.78%	19.64%	3.73%	-1.83%
<i>Brinson 1999 Partnership Fund</i>	17,037			0.64%	0.64%	20,115			2.44%	3.10%	9.31%	1.61%	-4.71%
<i>Brinson 2000 Partnership Fund</i>	40,202			3.70%	3.70%	41,041			6.45%	10.39%	14.97%	3.21%	-0.80%
<i>Brinson 2001 Partnership Fund</i>	26,999			2.53%	2.30%	24,260			3.91%	6.53%	4.00%	1.40%	N/A
<i>Brinson 2002 Partnership Fund</i>	14,879			3.38%	3.38%	15,162			3.47%	6.97%	-4.22%	6.13%	N/A
<i>Brinson 2003 Partnership Fund</i>	3,664			5.26%	5.26%	3,017			7.59%	13.25%	1.71%	N/A	N/A
<i>Brinson 1999 Non-US Partnership Fund</i>	8,576			-1.05%	-1.05%	9,131			-5.55%	-6.54%	32.09%	21.85%	11.30%
<i>Brinson 2000 Non-US Partnership Fund</i>	12,864			7.48%	7.48%	12,609			-0.69%	6.74%	15.57%	13.45%	4.88%
<i>Brinson 2001 Non-US Partnership Fund</i>	11,395			3.98%	3.98%	13,827			9.11%	13.45%	9.19%	8.24%	N/A
<i>Brinson 2002 Non-US Partnership Fund</i>	19,686			15.23%	15.23%	16,393			-0.04%	15.18%	12.60%	12.07%	N/A
<i>Brinson 2003 Non-US Partnership Fund</i>	9,699			12.34%	12.34%	9,096			0.61%	13.03%	2.52%	N/A	N/A
<i>Brinson 2004 Non-US Partnership Fund</i>	3,639			9.37%	9.37%	2,378			4.09%	13.84%	0.42%	N/A	N/A
<i>Brinson BVCF IV</i>	56,858			8.77%	0.00%	55,071			10.29%	19.96%	6.06%	3.14%	-7.20%
<i>Matlin Patterson Global Opportunities</i>	52,914			-1.36%	0.00%	58,194			-8.79%	-10.03%	102.75%	N/A	N/A
<i>Matlin Patterson Global Opportunities II</i>	47,210			0.00%	0.00%	49,762			0.00%	0.00%	N/A	N/A	N/A
<i>InvestAmerica</i>	15,011			0.00%	0.00%	15,814			0.00%	0.00%	-18.88%	-13.16%	N/A
<i>Hearthstone MSII</i>	0			0.00%	0.00%	2,498			0.00%	0.00%	1214.92%	179.43%	90.03%
<i>Hearthstone MSIII</i>	31,050			7.40%	0.00%	45,471			4.53%	12.27%	16.51%	N/A	N/A
<b>TOTAL ALTERNATIVE INVESTMENTS (3)</b>	457,495	2.3%	3.0%	3.62%	1.75%	475,530	2.5%	3.0%	1.64%	5.32%	17.54%	4.32%	-2.65%
<b>CASH EQUIVALENTS</b>													
<b>Northern Trust STIF/STEP</b>	150,043	0.8%	0.0%	0.85%	0.28%	170,224	0.9%	0.0%	0.89%	1.75%	2.19%	1.82%	2.72%
<i>90 Day T-Bill</i>				0.92%	0.32%				0.83%	1.75%	2.15%	1.55%	2.62%
<b>TOTAL FUND</b>	19,545,499	100.0%	100.0%	1.93%	1.05%	19,169,248	100.0%	100.0%	3.57%	5.58%	13.45%	11.50%	4.47%
<b>POLICY TARGET BENCHMARK</b>				1.67%	0.82%				2.66%	4.37%	8.96%	9.15%	3.25%

**NOTE: Monthly returns and market values are preliminary and subject to change.**

(1) This benchmark was changed to the MSCI EAFE (unhedged) as of December 1, 2004.

(2) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.

(3) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.